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20 July 1981

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ŧPM-CASEYŧ
ŧBY ALLAN DODDS FRANKŧ
ŧWASHINGTON STAR SERVICEŧ
WASHINGTON - SENATE INTELLIGENCE COMMITTEE CHAIRMAN BARRY GOLDWATER, R-ARIZ., SAID MONDAY HIS COMMITTEE HAD EXTENDED BY A WEEK ITS DEADLINE FOR COMPLETION OF AN EXAMINATION OF THE BUSINESS AFFAIRS OF CIA DIRECTOR WILLIAM J. CASEY AND HIS FORMER DEPUTY DIRECTOR, MAX HUGEL.

IN AN INTERVIEW, CASEY SAID STAFF INVESTIGATORS MAY BE SENT TO NEW ORLEANS TO EXAMINE RECORDS RELATING TO A NOW-DEFUNCT BUSINESS VENTURE, MULTIPONICS, INC., IN WHICH CASEY WAS AN INVESTOR.

HUGEL RESIGNED LAST WEEK AS THE TOP-RANKING OFFICIAL IN CLANDESTINE OPERATIONS AFTER IT WAS ALLEGED THAT HE AND TWO NEW YORK BUSINESSMEN WERE INVOLVED IN QUESTIONABLE STOCK TRADING PRACTICES IN THE EARLY 1970s.

THE DISCLOSURES IN THE PRESS ABOUT HUGEL CAME LARGELY AS A SURPRISE TO THE SENATE INTELLIGENCE COMMITTEE, AS DID REPORTS ABOUT RECENT FEDERAL COURT RULINGS ADVERSE TO MULTIPONICS.

GOLDWATER SAID THAT WHILE CASEY HAD EARLIER DISCLOSED TO THE SENATE HIS INVOLVEMENT IN MULTIPONICS, A FARM BUSINESS VENTURE THAT HAS GONE OUT OF BUSINESS BUT STILL INVOLVED IN LITIGATION, SEVERAL QUESTIONS STILL NEED TO BE ANSWERED.

"WE'LL GO OVER HUGEL AND THEN WHY WEREN'T WE TOLD SOONER," GOLDWATER SAID. "IF ANYTHING ELSE DEVELOPS ON THE MULTIPONICS END, THEN WE'LL HAVE TO GET DOWN TO NEW ORLEANS. THIS WHOLE THING IS SORT OF A PIG IN A POKE.

"CASEY DID TELL US ALL ABOUT THE FINANCIAL DEALINGS THAT HE HAD WITH MULTIPONICS. THEY ARE ALL A MATTER OF RECORD. BUT THERE MAY BE SOME OTHER THINGS THAT WERE OVERLOOKED AND THAT'S SOMETHING WE WANT TO FIND OUT."

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A FEDERAL DISTRICT COURT IN MAY RULED THAT CASEY AND SEVERAL OTHERS KNOWLINGLY PARTICIPATED IN THE MULTIPONICS INVESTMENT OFFERING IN 1969 THAT ''OMITTED AND MISREPRESENTED FACTS'' TO INVESTORS.

GOLDWATER SAID THE COMMITTEE HAD HOPED TO COMPLETE ITS WORK BY NEXT WEEKEND; BUT NOW IS HOPING TO FINISH BY JULY 30. HE SAID THE COMMITTEE WILL BE EXAMINING CIA; FBI AND COURT RECORDS.

GOLDWATER SAID THAT ''AT THE MOMENT;'' HE ''DOES NOT BUY'' A SUGGESTION BY SEN. DENNIS DECONCINI; D-ARIZ.; THAT THE SENATE JUDICIARY COMMITTEE SHOULD TAKE OVER THE CASEY INVESTIGATION. DECONCINI BELIEVES THAT MULTIPONICS MAY HAVE BEEN INVOLVED WITH INVESTORS OVERSEAS SERVICE; A COMPANY ONCE OWNED BY FUGITIVE SWINDLER ROBERT VESCO.

''I DON'T WANT TO GET CASEY IN A BAD LIGHT;'' GOLDWATER SAID; ''UNLESS HE'S IN A BAD LIGHT. I DON'T WANT TO RUIN A MAN'S REPUTATION JUST FOR THE FUN OF LOOKING INTO SOMETHING. I'M GOING TO GIVE HIM EVERY BENEFIT OF THE DOUBT UNLESS WE FIND SOMETHING DIFFERENT.''

GOLDWATER SAID HIS COMMITTEE WILL NOT IMMEDIATELY EXAMINE WHAT ROLE CASEY MAY HAVE PLAYED IN SECURING THE NOMINATION OF WILLIAM E. MCCANN; A NEW JERSEY INSURANCE MAN; AS AMBASSADOR TO IRELAND.

PRESIDENT REAGAN ANNOUNCED ON ST. PATRICK'S DAY THAT HE INTENDED TO NOMINATE MCCANN TO THE AMBASSADOR'S POST; BUT THE APPOINTMENT HAS BEEN HELD UP IN THE WAKE OF REPORTS THAT MCCANN'S INSURANCE COMPANY MADE SUBSTANTIAL SALES THROUGH A CONVICTED FELON ACCUSED OF BEING CLOSELY LINKED TO ORGANIZED CRIME.

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